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TO RUEHC/SECSTATE WASHDC PRIORITY 4841  
INFO RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEHBJ/AMEMBASSY BEIJING 3762  
RUEHBY/AMEMBASSY CANBERRA 2647  
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RUEHMO/AMEMBASSY MOSCOW 2336  
RUEHOT/AMEMBASSY OTTAWA 9674  
RUEHSG/AMEMBASSY SANTIAGO 0167  
RUEHUL/AMEMBASSY SEOUL 9761  
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TAGS: [ETRD](#) [PREL](#) [ASEAN](#) [JA](#)  
SUBJECT: JAPAN-ASEAN FTA RATIFICATION TEMPORARILY STALLED

REF: 07 TOKYO 5402

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11. (SBU) Summary: Ratification of the ASEAN-Japan Comprehensive Economic Partnership Agreement (AJCEP) is stalled temporarily in the Japanese Diet. The opposition-controlled Upper House suspended deliberations on the agreement the week of May 29 over an unrelated procedural dispute with the ruling bloc. If the Upper House fails to approve the measure before the current legislative session ends June 15, the ratification process will need to begin again when the Diet reconvenes for an extraordinary session, perhaps at the end of August. Ministry of Economy, Trade and Industry (METI) officials, however, are confident that, even in the worst case scenario, the agreement will take effect as scheduled December 1. End Summary.

12. (SBU) The more powerful House of Representatives (Lower House) of the Japanese Diet ratified the AJCEP May 22. Deliberations in the House of Councillors (Upper House) Committee on Foreign Affairs and Defense, however, were suspended the week of May 29 because of a dispute between the ruling Liberal Democratic Party (LDP) and the opposition Democratic Party of Japan (DPJ) over allowing cameras into a committee hearing on the scandal involving former Vice Minister of Defense Takemasa Moriya. Under the constitution, a treaty bill can become law regardless of Upper House action 30 days after Lower House approval, but only if the Diet is in session. The current Diet session is set to end June 15. If the Upper House fails to act before then, the ratification process would have to start over again in the Lower House in the next extraordinary Diet session. Recent press reports suggest this session could begin in late August or early September.

13. (SBU) According to METI's Economic Partnership Division, none of Japan's political parties object to the AJCEP. Both

LDP and DPJ members supported the ratification bill in the Lower House vote. Nonetheless, since Japan had made extraordinary efforts to get the treaty signed expeditiously by all parties, METI is concerned the Diet's failure to act would send a negative signal to its ASEAN trade partners. The Ministry is making quiet efforts to spring the measure free in the Upper House, but recognizes its ability to spur Diet action is limited. For that reason, it welcomed a June 4 Nihon Keizai Shimbun editorial urging quick Upper House action and expressing concern that failure to do so "would be viewed as Japan lacking enthusiasm for economic partnerships." Even in the worst-case scenario, however, METI says Japan will be ready to implement the AJCEP on schedule December 1.

SCHIEFFER